

MCRC FROST CALL 029-01 DATED 17 AUGUST 2001

From: Commanding General, Marine Corps Recruiting Command

Subj: THRIFT SAVINGS PLAN (TSP) FOR MEMBERS OF THE
UNIFORMED SERVICES SERVING ON ACTIVE DUTY AND
MEMBERS OF THE READY RESERVE

Ref: (a) FY01 National Defense Authorization Act (NDAA)

1. Purpose. To notify all levels within the Marine Corps Recruiting Command, of the opportunity to participate in the Thrift Savings Plan (TSP).

2. Background. On October 30, 2000, President Clinton signed into law the Floyd D. Spence National Defense Authorization Act for Fiscal year 2001 (Public Law 106-398). One provision of the law extended participation in the TSP for Federal Civilian Employees to members the Uniformed Services. Any member of the Uniformed Services serving on Active Duty and any member of the Ready Reserve in any pay status may participate in the TSP in accordance section 8440E of Title 5, U.S.C. Reservists who are also Federal employees, will have two TSP Accounts if participating as a reservist and civilian, however, their total combined annual election may not exceed the \$11,000 limits established by the Internal Revenue Service (IRS).

3. Information. The Thrift Savings Plan is a long term savings and investment plan for federal employees. It is similar to 401(K) Plans, as it is a contribution plan. The size of the members account depends solely on the amount of the members contributions and earnings. TSP Members who contribute will have funds invested into the "G" Investment Fund. Members can then contact the Finance Center to have their funds allocated to one or all of the five investment plans. All contributions are tax deferred, and the account grows as Tax Deferred until withdrawn, when then the contributions and earnings are taxed.

a. Enrollment. The Initial Open Season for enrollment of any eligible member to participate in the TSP begins 9 October 2001 and ends 31 January 2002. Elections submitted before January 2002 will become effective the first pay period in January. Elections submitted during January 2002 will take effect no later than the first pay period after the election form is accepted.

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b. Regular Open Season. Members who do not enroll during the Initial Open Season will have "Two Open Seasons" per year to enroll thereafter. Members may elect to **START** or **CHANGE** their elections during open season each year. Submission of TSP Election Form (TSP-U-1) can be submitted at any time during open season enrollment. Contributions will not start before the last full month of the Open Season.

c. Accession Enrollments. Members of the Uniformed Services who join on or after 9 December 2001 (and those who rejoin following a break in service), will be able to elect to participate in the TSP within 60 days of joining and/or rejoining.

d. Contributions.

(1) All contributions must be made through payroll deduction.

(2) Members elected contributions from pays (basic pay, special pay, incentive pay, or bonus pay) must be elected as a whole percentage.

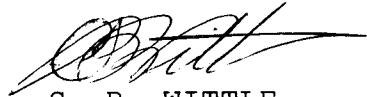
(3) Members may elect to contribute bonuses at any time prior to receipt of the bonus, provided they are already enrolled in the TSP.

(4) Members of the Ready Reserve serving periods of continuous active duty over 30 days, may make TSP elections outside of an Open Season provided such elections are made within 60 days of the beginning period of continuous active duty. Members on active duty who convert to the Ready Reserve may also make TSP elections outside Open Season provided they also are within the 60 day period of the conversion.

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4. Action. Effective **upon receipt** all levels of MCRC will make their recruiters, staff, and Command Groups aware of the Thrift Savings Plan. New Accessions to Marine Corps (Shippers), and all reenlistments/augmentations should be briefed of the provisions of TSP. Enrollment will be handled in accordance with a MARADMIN, which is forthcoming.

5. Point of contact is M. J. Styka, MCRC G-3 Operations, at commercial (703) 784-9466 DSN 278-9466.

A handwritten signature in black ink, appearing to read 'S. B. Wittle', with a long horizontal stroke extending to the right.

S. B. WITTLE
By direction